

City of Renton 2010 State Legislative Agenda



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City of
Renton



BASIC PREMISES

The City of Renton's positions on state legislation will reflect basic premises established by the Renton City Council over many years. These include the need for proposed legislation to provide local elected officials maximum flexibility in addressing community needs; strong opposition to new or expanded mandates on local governments without adequate funding to support these programs, as required by State law (RCW 43.135.060); and the importance of maintaining local control, especially in areas such as local government taxation and financing, rights-of-way management, and land use and zoning matters.

Additionally, during a time of economic uncertainty, and with the State facing operating budget shortfalls for 2010 of \$2.6 billion or more, Renton asks lawmakers to bear in mind that maintaining basic services such as public safety becomes even more challenging. The City urges lawmakers to refrain from further cuts to programs that are key to public safety and the criminal justice system, including auto theft prevention grants, municipal criminal justice monies and law enforcement academy funding.

Renton also asks the Legislature consider creative approaches to providing cities with additional efficiencies, cost-savings and flexibility. Renton will consider strong support for regulatory reform, easing liability burdens and legislation to reduce or eliminate unnecessary mandates. The City supports proposals such as making Growth Management Act-related update cycles more consistent with federal Census updates in order to provide for efficiency and accuracy.

MAJOR ISSUES

Transportation Solutions

Like the rest of the Puget Sound region and much of the state, Renton faces major challenges with traffic congestion and the inability to efficiently move people and freight through the City, resulting in severe economic and family impacts. The City asks legislators to remember that the I-405/SR 167 interchange remains the most congested interchange in the state and I-405 from Renton to Bellevue remains the most congested corridor in the state, that the core mission of "fixing the worst first" should help guide investment decisions, and that key needs remain with respect to local roadways, freight mobility and transit.

In the 2010 Legislative Session, the City of Renton will:

- **Support authorization of "managed lane" or "HOT lane" approaches to funding I-405 needs:** The City played a key role in 2009 in triggering a feasibility study of additional toll lanes or "managed lanes" on the I-405 corridor. Renton has participated on both the Executive Committee and staff work group that are collaborating with the Washington State Department of Transportation on the "Eastside Corridor Tolling Study." The study will result in 2010 recommendations to the Legislature, one of which may include improvements at the I-405/SR 167 connector, as well as the use of "HOT (High Occupancy Toll) lanes" to create two lanes of additional capacity in each direction of I-405 between Renton and Bellevue. Renton will strongly support legislation to implement those recommendations, will continue to advocate for Bus Rapid Transit along the I-405 corridor and encourages the State to use its full faith and credit to help finance I-405 projects in order to maximize the investments and accelerate progress on the entire corridor.
- **Raise awareness of key needs involving state and local projects and transit:** As the Legislature continues work on an "Alternative Financing Study" in 2010, and lays the groundwork for a possible comprehensive transportation revenue package in 2011, Renton will make lawmakers aware of its key needs, both on the state system and at a local level, including:
 - Funding for an expansion of the I-405/NE 44th Street interchange
 - Additional funding to construct a second east-west corridor for freight and transit access between Renton and Tukwila, along the SW 27th/Strander alignment or other appropriate alignment.
 - Direct distribution funds for local needs, enhanced funding for the Transportation Improvement Board (TIB) grant programs, and additional funding for transit and Commute Trip Reduction (CTR).

Fiscal Stability

Renton, like many other cities around the state, has been forced to make significant budget reductions during the economic recession while still keeping core services intact. Through several cycles of cuts, the City has reduced its general fund spending by more than \$21 million, instituted furlough days for employees and was forced to implement layoffs of 35 employees to balance its 2010 budget. The City is operating with 86 less people, a 12% reduction in its workforce than in 2008, despite growing its population by one-third since 2008. Given the major fiscal challenges confronting cities such as Renton, the City asks for the State Legislature's help, both to establish new funding tools and to preserve current taxing authorities.

In the 2010 Session, the City of Renton will:

- ***Advance legislation that provides cities a local option to impose a utility tax on special district water or sewer service provided inside city limits*** - in exchange for assurances that any future "assumption" effort involving those special districts must be on a voter approved basis: Renton is working with the Skyway Water & Sewer District on "win-win" local option legislation, both to provide cities with new utility tax revenues and to provide special districts with a level of certainty and assurance they do not have under current "assumption" laws. The City will work with AWC and the Washington Association of Water & Sewer Districts, who are both supporting this local-option alternative.
- ***Strongly support a legislative initiative to preserve the "Brokered Natural Gas" tax:*** A current State Supreme Court case involving the City of Tacoma is jeopardizing the ability of Renton and 48 other cities to continue to impose a "Brokered Natural Gas" (BNG) tax on natural gas that is purchased near the Canadian border but put to use at a local level. If the BNG tax is not preserved, it represents a \$300,000 per year impact on Renton's general fund and a collective \$14 million negative impact for the array of cities that have the BNG tax in place. Renton will strongly support efforts by the Association of Washington Cities (AWC) and individual cities to preserve the BNG taxing authority.

Flood Control and Support for Potential Flood Response

The well-publicized seepage in the abutment at the Howard Hanson Dam has raised the possibility of flooding this winter in the Green River Valley if major storms occur. Renton and other cities in the Valley, along with King County, and in cooperation with multiple state and federal agencies, have been working to prepare citizens and businesses for potential flooding, have deployed sandbags and other flood response tools and have been working on prevention efforts that include repairs and upgrades to the Green River levee system. The City is working with its intergovernmental partners to seek federal funding for the \$1 billion "permanent fixes" to the Dam and the Green River levee system, and encourages state support in future sessions to address these critical needs. The Green River Valley is the largest industrial area in Washington State, the 2nd largest distribution hub on the West Coast, and the 4th largest in the nation. Funding of these flood-related projects is critical to the health of an industrial valley that supports 40 million square feet of warehouse/ industrial space, 1,800 businesses, 20,000 jobs, and \$8 billion in taxable revenue.

In the 2010 Session, the City of Renton will:

- ***Strongly support legislation to provide supplemental flood insurance options for area businesses:*** Renton will support proposals for a "Joint Underwriting Association" at the state level to *require* all area insurance companies to provide supplemental flood insurance options to area businesses. These businesses can obtain coverage through the National Flood Insurance Program, but limits of \$500,000 for property and \$500,000 for buildings and equipment are simply not enough. This growing insurance crisis is beginning to threaten the economic underpinnings of the Green River Valley.
- ***Work with the Washington Cities' Insurance Authority, and other cities, on assuring liability immunity for good-faith flood-prevention and flood-response actions taken by municipalities:*** This liability immunity is already in place for the US Army Corps of Engineers and for King County.

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Economic Development and Infrastructure Funding

Funding for core infrastructure needs and for infrastructure investments that lay the groundwork for economic development continues to be a high priority for the City of Renton. Renton will work in concert with the Association of Washington Cities and a coalition of others on options to address community needs and enhance its business retention and recruitment efforts.

In the 2010 Legislative Session, the City of Renton will:

- ***Seek to add out-year biennium funding for the “Local Revitalization Financing” program:*** In 2009, the Legislature enacted 2SSB 5045, legislation that extended what had been the “Local Infrastructure Financing Tool” (LIFT) and modifying LIFT into what is now known as the “Local Revitalization Financing” (LRF) program. Both LIFT and LRF are designed to provide state matching funding for public infrastructure investments to kick-start economic development projects with demonstrated job-generating and revenue-generating capacity. 2SSB 5045 authorized state-matching funds for seven demonstration projects and also authorized \$2.5 million per year, beginning in 2011 at the earliest, for competing projects on a “first-come/first-served” basis.

Five projects have been selected for a full share of first-come, first-served funding and a sixth, a Renton project to incentivize development in the Port Quendall area, is due to receive \$400,000 a year (the City had requested \$500,000). Six other projects, including a South Lake Washington project advanced by Renton, were hundredths of seconds away from qualifying. Because of the miniscule difference between funded and non-funded projects, because the other “first-come/first-serve” projects would be funded well outside the biennium, and because of the proven jobs and revenues value these economic development projects bring, Renton will be joining with AWC, several individual jurisdictions, and economic development associations to add \$2 million a year in out-years to “fund the rest of the list” for LRF.

- ***Sunset Area Community Investment and Revitalization:*** The City is currently working on a Sunset Area Community Investment Strategy with the Renton Housing Authority (RHA), the Renton School District (RSD) and the community to revitalize this area. The City has set aside \$1.5 million for infrastructure needs in the area and is dedicated to working with RHA, RSD and others to secure additional funding to revitalize the area. Potential strategies include the use of underutilized land, redevelopment of existing public housing, upgrade of public infrastructure, improvement of pedestrian linkages and enhancement of community services and amenities. The City of Renton strongly supports RHA’s pursuit of \$2.5 million in state Housing Trust Fund (HTF) monies for its Replacement Housing Phase I Apartments project, which will act as a catalyst for further redevelopment in the Sunset Area. This proposed development will include 112 units for some of our most vulnerable citizens. The City also supports the restoration of the previously higher funding level of the Housing Trust Fund.
- ***Assistance with revitalization of the West Hill/Skyway area:*** The City is tremendously appreciative of the help its area lawmakers have provided to assist with the Growth Management Act-driven costs of taking on large annexation areas through a state sales tax credit mechanism, specifically SSB 6686 in the 2006 Session and ESSB 5321 in the 2009 Session. Still, for areas such as West Hill/Skyway that are struggling with business closures, dealing with severe public safety and educational challenges, and suffering from deficient infrastructure, a gap of several million dollars per year must be closed in order for Renton to proceed with annexation efforts during a time of economic upheaval. In 2010, the City will be working on a West Hill/Skyway assistance package to help close the gap and begin to radically revitalize this community.

Small Business Assistance

The Renton Small Business Development Center (SBDC) is strengthening Renton's economic vitality by providing one-on-one, confidential assistance to small businesses and other entrepreneurs at no charge. The Renton SBDC is a partnership of the City, Renton Technical College (RTC), the Renton Chamber of Commerce and the local business community, and it is administered by Washington State University in cooperation with the US Small Business Administration.

Renton greatly appreciates the efforts of its area legislators in appropriating \$50,000 for the Renton SBDC program in the 2009-11 Operating Budget. Renton, the Renton Chamber of Commerce and RTC also supported legislation, SSB 5723, that would have created an ongoing funding stream for SBDCs around the state. However, while SSB 5723 passed and did create a "Small Business Assistance Account" at the state level, the funding mechanism within SSB 5723, specifically a one-time, \$5 surcharge on new business registrations, was removed from the legislation prior to enactment. For 2010, Renton will work with legislators and supporters of SBDCs across the state to enact legislation that establishes an ongoing and sustainable state revenue stream for SBDCs. The City believes the nexus between a fee or surcharge paid by business, and an SBDC program that addresses the critical business development needs of small businesses, makes good policy sense.

Strengthening the Aerospace Industry

As the first city to join the Aerospace Futures Alliance (AFA) and as a founding member of the Washington Aerospace Partnership, Renton strongly supports the efforts of both organizations to strengthen the aerospace industry across Washington. Priority issues for AFA include, among others: supporting tax policies that encourage the growth and long-term health of the industry; improving transportation infrastructure; enhancing training and education to support the aerospace workforce; and addressing rapidly increasing health care costs.

Renton has been proud to be the home of The Boeing Company for over 67 years. The first commercial jet, the Boeing 707, was made in Renton, and the best selling jets in history have been assembled in Renton ever since. Renton is now home to three of the company's six business units: Boeing Commercial Airplanes, Boeing Capital and Boeing's Shared Services Group. Boeing's Renton operations account for nearly \$7 billion (2.7%) of Washington's Gross State Product, 10.7% of the state's exports abroad and over 45,000 direct and indirect jobs. Renton is also the home of a diverse array of aerospace suppliers and a municipal airport.

Renton will continue to support legislation that enables Boeing and other aerospace companies to thrive.

In 2010, the City of Renton will support legislative initiatives such as:

- Workers' compensation reform; and
- Extending to 2024 an aerospace suppliers' tax incentive program that is due to expire within the next two years.

